

**TOWN OF NEWMARKET, NEW HAMPSHIRE
BUDGET COMMITTEE MEETING**

May 22, 2017 7:00 PM

TOWN HALL AUDITORIUM

Approved August 28, 2017

MEMBERS PRESENT: Chairman Daniel V. Smith, Vice Chairman Jeff Raab, Dave Foltz, William “Blue” Foster, Michael “Mickey” Burns, Dan Hill, , Trevor MacDonald, Joan LaRochelle, Town Council Rep Toni Weinstein

EXCUSED: Ashley Bowley, School Board Representative

ALSO PRESENT: Town Administrator Steve Fournier, Superintendent Meredith Nadeau, Business Administrator Lisa Ambrosio

AGENDA

Chairman Smith called the May 22, 2017 Budget Committee Meeting to order, followed by the Pledge of Allegiance.

OLD BUSINESS

Approval of the Minutes of April 3, 2017

Mr. Burns made a motion to approve the minutes of the April 3, 2017 Budget Committee Meeting, which was seconded by Mr. Foltz.

Corrections: Chairman Smith corrected 2 errors on page 4 of the minutes.

Chairman Smith polled the Committee and the minutes of April 3, 2017 were approved as amended by a vote of 9-0.

NEW BUSINESS

**TOWN FY2016-2017 BUDGET-TO-ACTUAL UPDATE
Town Administrator Steve Fournier**

Town Administrator Steve Fournier stated that the Town Budget for FY2017 was 80% expended compared to 83% last year, and said there was nothing out of the ordinary right now other than a bump in snow expenses from the March storm. He said Town revenues were slightly below where they were

last year. He said they had bumped up revenue estimates in the fall but were seeing a decline in Motor Vehicle Registrations. He said this was the only area with a significant issue.

Town Administrator Fournier reviewed other projects in Town, and said they had received only one paving bid but that it had come in extremely low. He said originally they planned to pave half of New Road, but that they could now pave three-quarters from the bridge to Birch Drive. He said they were not doing the remainder of New Road due to a drainage project coming up next year. He added that they were also doing an overlay on Beech Street Extension, and paving the Bay Road parking lot.

Discussion: Mr. Hill asked about the Downtown crosswalks, and said there already appeared to be a decent amount of damage. Town Administrator Fournier said the issues would be addressed and that he was working with the contractor and the Town Attorney to solve the problems. He said that some of the damage was just from settling which they had expected and had not signed off on the project last fall. He said the contractor would be back to fix the crosswalks to the satisfaction of the Town, but it was now in the hands of the Town Attorney to negotiate with Target Construction through their bond company.

Chairman Smith said that it looked like Ambulance fees were down lower than expected. Town Administrator Fournier said this was actually an area of concern for the Town. He said they were having issues with coverage on weekends and were trying a new program to have people on-call and pay them a stipend. Chairman Smith asked about the sale of a property for \$55,000, and Town Administrator said that was for the Eagles Building which was taken for taxes by the Town and then sold.

Chairman Smith commented that revenues were also down. Town Administrator Fournier said revenues were down slightly but the estimate could be adjusted in October when they set the tax rate. Mr. Foltz asked what the Town had learned as far as forecasting revenues. Town Administrator Fournier said he did not think there was anything out of the ordinary, and said they were conservative with revenue estimates and would do the same next year. Chairman Smith mentioned the large expense at the Library, and Town Administrator Fournier said that was to repair their roof. He said the Town had no control over their budget which was administered by Library Trustees.

Mr. Foltz said everyone was happy about the drought coming to an end, and asked if they were still looking into a new well. Town Administrator Fournier stated that the Town had purchased the Tucker land and would start studying that property for another well. He said it was also a great help to have the MacIntosh Well now online. Chairman Smith asked the location of the Tucker Well, and Town Administrator Fournier said it was right behind the MacIntosh Well but that they were two different aquifers. He stated that the new Facilities Director would be starting in 2 weeks.

SAU FY 2016-2017 BUDGET-TO-ACTUAL UPDATE

Superintendent Meredith Nadeau & Business Administrator Lisa Ambrosio

Superintendent Meredith Nadeau started by reminding everyone that last Thursday the School Board had approved entering into an agreement with the Municipal Bond Bank, and said they hoped to have revenues by the beginning of July. She said the Bond was for a 30-year term with an estimated interest rate of 3.75%, but they would not know for sure until the Bond was sold. Chairman Smith asked how that rate compared with the former estimated rate, and Superintendent Nadeau said it was a quarter percent lower with a guaranteed maximum of 4.25%, which was the rate put out to the voters.

School Business Administrator Lisa Ambrosio stated that taxes and property evaluations were going up. She said last year the School District had anticipated expenses to include an additional amount for Special Education Services required by IEP, and there were significant expenses there. She said there was good news in the Building Maintenance area, and they had savings in electrical and fuel oil. She said they were also looking at encumbrances for health benefits for the end of the year and were finding more savings than predicted. She said the School Board was on track overall, with some areas of challenges, and said the same adjustments would float into next year's budget which they hoped to offset with savings in Building Maintenance.

School Business Administrator Ambrosio said that revenues were also good. She said they had talked about Emergency School Aid reimbursement for Life Safety, and said they had received \$500,000 from the State which was helping the overall surplus. She said she had done another forecast sheet and they were in a good position there. She addressed Catastrophic Aid (CAT Aid), and explained that as the School spent more in Special Education they were reimbursed by the State the following year. She said they were doing well in CAT Aid, Medicaid reimbursement, and Fire & Life Safety, and said she did not see any significant issues. Superintendent Nadeau stated that another \$540,000 had come back in Building Aid.

School Business Administrator Ambrosio said as far as revenues, the School received funds from the Town which was set at budget time, and said the School would come in right on track. Superintendent Nadeau said she did not think there were any surprises from the budget set up in the fall. Mr. Raab asked about the Charter School, and Superintendent Nadeau explained that they were still responsible by law to provide Special Education Services for students who attend charter schools.

Mr. Foster mentioned the School expenditure to purchase land, which he assumed was the property next door to the Elementary School, and asked if any money was still due. Superintendent Nadeau said it was for the property next door to the Elementary School and that the payment was final. Mr. Foltz said that taking out the \$540,000 from the State, the School was still within \$40,000 of their budget which was not bad. Superintendent Nadeau said it was not great, but that it showed the fluctuations they had had in expenditures. School Business Administrator Ambrosio stated that they did not want to be too aggressive with CAT Aid or the State would raise the minimum that could qualify.

Mr. Foltz asked if all the funds from the State were expected by the end of June. School Business Administrator Ambrosio said they were and she would continue to watch dollars into July. She said that some of the revenues were drawn into the prior year, and felt they might get another \$20,000 in July. Mr. Burns asked if technology was responsible for the high numbers behind expenses. Superintendent Nadeau said the cost was for a Security Alarm, and they had decided to save the Technology Reserve Fund for next year.

School Business Administrator Ambrosio said these reports did not include any line-item transfers. She said she would produce this report quarterly for the School Board, and would share it with the Budget Committee. She said she was working her way over to the Town side, and hoped to be able to do a summary report. Mr. Foltz asked if the budget for 2017-2018 would be more in line with what they were seeing for the current year, and Superintendent Nadeau said that it would.

Mr. Raab asked about student enrollment, and Superintendent Nadeau said they were a little behind where they were last year but that there may be increases over the summer. She said otherwise the numbers were pretty stable and that they tended not to know this early about movement for next year,

but were generally seeing an increase at the elementary level. Mr. Smith mentioned the State legislation on funding Full Day Kindergarten. Superintendent Nadeau said that if it were fully funded it would be approximately \$132,000, but that it did not look like funding would be available.

Councilor Weinstein asked if there was any other legislation happening that would affect the budget. Superintendent Nadeau said the area of Career Education Technology had come up but that the State was not going beyond the funding level of last year. She added that what was split last year between the 11th and 12th grades would now have to be split between 9th through 12th grades, and said that costs at a local level would increase. She said it also did not look like anything would be coming out of Building Aid in the short term, and said it depended on how much was allocated to Education and how much would go to each school district. She said this year they were expecting approximately 70% of their actual costs for last year, and said they would know in July. Mr. Foster asked if this was the last year of the Teacher Contract, and Superintendent Nadeau said that would be next year.

Other Business

Chairman Smith stated that the Budget Committee had a meeting booked for June 26th. He said that last year they had decided to cancel a few meetings, and asked Committee members for their feedback

Mr. Foster made a motion to have no meetings in June or July, which was seconded by Mr. Hill.

Chairman Smith polled the Committee and the motion to hold no meetings in June or July was approved unanimously 9-0.

COMMENTS – None

Adjournment

Councilor Weinstein made a motion to adjourn the meeting which was seconded by Mr. Raab. The meeting was adjourned at 7:30 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary